

July 2, 2007

Mr. Mark T. Benton  
Medicaid Director  
North Carolina Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina Title XIX State Plan Amendment, Transmittal #07-005

Dear Mr. Benton:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 07-005 and received in the Regional Office on March 29, 2007. This amendment was submitted so that the State would be in compliance with Section 6032 of the Deficit Reduction Act. This provision establishes Section 1902(a)(68) of the Social Security Act. This proposed amendment specifies:

- the manner by which the State will ensure an entity's compliance;
- a description of the methodology of compliance oversight, and
- the frequency with which the State will reassess compliance on an ongoing basis.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 07-005 was approved on June 27, 2007. The effective date of this amendment is January 1, 2007. We are enclosing the approved Form HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Cheryl Brimage at (404) 562-7116.

Sincerely,



Renard L. Murray, D.M.  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures